

SENATE BILL REPORT

SHB 1266

As Reported By Senate Committee On:
Ways & Means, March 20, 2007

Title: An act relating to death benefits for public employees.

Brief Description: Addressing death benefits for public employees.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Conway, Fromhold, B. Sullivan, Kenney, Ericks, Simpson and Moeller; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board).

Brief History: Passed House: 3/07/07, 95-0.

Committee Activity: Ways & Means: 3/15/07, 3/20/07 [DPA].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

Staff: Erik Sund (786-7454)

Background: Survivors of public employees who die as a result of injuries sustained in the course of employment are eligible to receive a lump sum benefit of \$150,000. This benefit is available in the Public Employees', Teachers', School Employees', Public Safety Employees', Washington State Patrol, Law Enforcement Officers' and Fire Fighters', and Judicial Retirement Systems (PERS, TRS, SERS, PSERS, WSPRS, LEOFF, and JRS). The benefit is also available to survivors of members of the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (VFFRORPS), the higher education retirement plans, and state, school district, and higher education employees who are not members of a state retirement system. In the case of members who do not belong to a state retirement system, the \$150,000 death benefit is paid from the state general fund. LEOFF 2 and VFFRORPS death benefits are also payable for deaths resulting from a duty-related illness. VFFRORPS provides an additional \$2,000 duty death benefit.

In addition to the \$150,000 lump sum benefit, survivors of members of the state retirement systems are generally eligible for either a refund of the member's pension contributions, plus interest, or a retirement allowance.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Survivors may also be eligible for a workers' compensation death benefit from the Department of Labor and Industries, a Social Security death benefit, and, in the case of public safety officers, a federal lump sum death benefit under the Public Safety Officers Benefit Act of 1972.

Summary of Substitute Bill: The \$150,000 death benefit for members of the Washington retirement systems, as well as state agency, school district, and higher education employees, is payable upon death due to an occupational disease or infection that arises in the course of employment, as well as from injuries sustained in the course of employment.

Benefits for deceased members of PERS, LEOFF 1, TRS, SERS, PSERS, and VFFRORPS are paid from the member's plan. For deceased employees of state, school district, or higher education institutions who did not belong to these state retirement systems when they died, the benefit is payable as a sundry claim.

EFFECT OF CHANGES MADE BY RECOMMENDED AMENDMENT(S) AS PASSED COMMITTEE (Ways & Means): The refund of contributions that a PERS Plan 2 member's survivor may receive, if the member leaves eligible employment after earning 10 years of service credit and is subsequently killed while participating in a war or armed conflict, is increased from 100 percent of the member's accumulated contributions to 200 percent of the member's accumulated contributions.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill will help take care of the families of public employees that die as a result of occupational diseases, however it would not repair all of the problems with the current death benefit laws. The bill should be amended to allow survivors of members of state retirement systems killed while serving in our nation's armed forces to receive more of the benefits that the members have earned. This is especially important given the military's increased reliance on military reservists. The bill should also be amended to index the \$150,000 lump sum death benefit to inflation.

Persons Testifying: PRO: Marty Brown, Governor's Office; Senator Clements; Victoria Johnson; Steve Nelsen, LEOFF Plan 2 Retirement Board.